CONSOLIDATED BALANCE SHEET

Unaudited

June 30, 1976

(with comparative figures as at December 31, 1975)

ASSETS

1975

1976

	\$000s	\$000\$
Revenue producing real estate	36,563	35,748
Construction in progress	13,788	13,633
Land held for and under development.	42,905	38,250
Accounts and mortgages receivable	12,755	11,431
Deferred currency adjustment	1,778	1,948
Other assets	1,106	1,132
Cash	1,458	2,334

LIABILITIES

	27,403	26,177	13,463	3,896		7,002 7,639	78,578	3,133	2,255	89,917 83,966	
	29,506	30,572	11,756	5,367		7,002	84,203	3,353	2,361	89,917	
IVIOLISASES PAYADIE OIL TEVELINE	producing real estate	Other loans and mortgages payable	Sinking fund debentures	Bank indebtedness	Accounts payable and accrued	liabilities		Deferred income	Deferred income taxes		

SHAREHOLDERS' EQUITY

27,324	(6,814	20,510
27,324 27,324	(6,888)	20,436
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Capital stock	Deficit	
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revenue properties company limited and subsidiaries and joint ventures

CONSOLIDATED STATEMENT OF

CHANGES IN FINANCIAL POSITION

Six Months Ended June 30, 1976

(with comparative figures six months ended June 30, 1975)

SOURCE OF FUNDS

	1976 \$000's	1975 \$000's
Net income (loss)	(74)	170
Depreciation	550	471
Deferred income	220	(69)
Deferred income taxes	106	154
Funds from operations	972	790
Net changes in: Bank loans	926	837
Loans and mortgages payable	6,498	3,670
	8,396	5,297

APPLICATION OF FUNDS

5,4	9,817	
	1,707	Sinking fund debentures
(1,5	1,935	Other assets and liabilities
3,	4,810	held for and under development
		Construction in progress and land
3,	1,365	real estate
		Investment in revenue producing
		Net changes in:

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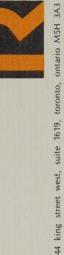
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126 1,421 DECREASE IN FUNDS 5,297

8,396

properties company revenue limited

Six months ended June 30th, 1976 Interim report



Printed in Canada

REPORT TO THE SHAREHOLDERS

The attached unaudited statements show the results of our Company's operations for the six months ended June 30, 1976. Net profit before taxes was \$32,000 in 1976 as compared to \$342,000 in 1975. Income taxes have been provided for at a higher rate than might have been expected, due to an item included as an expense which is not allowed as a deduction from taxable income, so the net result was a loss of \$74,000 for six months as compared to a profit of \$170,000 in 1975.

Ren

Gross revenue from all sources was \$14,508,000 in 1976 as compared to \$9,792,000 in 1975. This increase was primarily due to our increased activity in construction and real estate held for development, which was \$7,929,000 in 1976 as compared to \$2,083,000 in 1975. This trend we expect to continue.

Rental incomes were \$6,045,000 in 1976 as compared to \$5,502,000 in 1975. Cross profit from rental operations was lower as a result of significant increases in taxes and energy costs and a reduction of the proportionate amount of income from net leases. We anticipate a steady growth of gross profits from these rental operations as leases are renewed and buildings presently under construction become revenue producing.

There were no sales of revenue producing buildings in the first half as compared to \$1,757,000 worth of sales in 1975. However, there will be sales of revenue producing buildings in the second half of this year.

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In 1975 sales in real estate and construction were essentially from the sale of land, whereas in 1976 the sales of land were very minimal. Our first phase of the subdivision of our joint venture in Oakville was finally registered in March 1976 and we expect to be able to report profits from this joint venture in the second half of 1976.

Total gross profits from all our activities were \$2,911,000 in 1976 as compared to \$2,614,000 in 1975. Approximately \$400,000 of this gross profit has been deferred as the Company will lease, at least for five years, certain buildings currently being constructed under contract.

Inc

The real estate industry is experiencing challenging times. We have rent controls affecting our residential buildings in Ontario and other areas in Canada. The federal government has introduced anti-inflationary legislation which, at this point in time, has not been finalized. Final regulations relating to the profits on the sales of land and construction are yet to be issued.

There is continuing frustration and time delay in processing land to bring it to market, which is inhibiting the ability of the industry to produce enough serviced lots to satisfy demands. On the other hand, completed homes are moving slowly and there is a large supply of homes in various stages of construction on the market. The interest rates are extraordinarily high which makes it very difficult for the consumer to carry the cost of a new home.

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In spite of all these problems, we are cautiously optimistic about the future growth of your Company.

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MAXWELL GOLDHAR President

August 18, 1976

revenue properties company limited

and subsidiaries and joint ventures

CONSOLIDATED STATEMENT OF INCOME

naudited

Six Months Ended June 30, 1976 (with comparative figures six months ended June 30, 1975)

	1976	76	1975	5
	\$000's	0's	\$000's)'S
ntal Operations		COAE		100
Property operating expenses	4,099	6,045	3,498	5,502
Depreciation	550	4,649	471	3,969
oss profit		1,396		1,533
/enue producing real estate			1 757	
Sales			1,737	
oss profit		1		279
nstruction and real estate held				
or development	7 000		2 083	
Cost of sales	6,948		1,731	
oss profit		981		352
erest and other income		534		450
oss profit from operations		2,911		2,614
duct: Interest expense net of amount	1 670		1 461	
Administration and general	1010		1, 10 1	
expenses	989		880	
Net transfer to (from) deferred				
income	220	2,879	(69)	2,272
come before income taxes		32		342
come taxes				10
Deferred		106		154
Calallan		100		151
t income (loss)		(74)		170
nings (loss) per share		(.5¢)		1.2¢
NSOLIDATED STATEMENT OF DEFICIT				
audited Months Ended June 30, 1976				
in comparative rigures six months ended June 30, 1979)				
		\$000's		\$000's
ficit at beginning of year		6,814		7,464
ficit at end of period		6,888		7,294